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MEMORANDUM FOR: Director of Finance

SUBJECT: Review of Functions and Activities of the
Confidential Funds Division

Attached per your request are the following schedules:

- TAB-A - Outline of the "Major Functions of the Confidential Funds Division".
- TAB-B - A list of "Action Taken During Past Year to Improve Efficiency and Conserve Manpower".
- TAB-C - A list of "Action Which Might be Initiated during the Next Year with a View to Improve Efficiency Conserving Manpower".
- TAB-D - Statistics showing "Comparison of Workload Increases" between FY-57 and FY-63. (Three separate sheets, Tabs - D-1, D-2, and D-3.)

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Chief, Confidential Funds Division

Attachments

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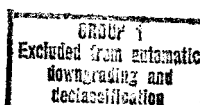
OUTLINE OF DATA REQUIRED

1. Brief Statement of Major Functions (approximately 6) and justification of these functions and/or explanation of those functions which could be eliminated in part or whole.
2. The present T/O for your Branch is [REDACTED] If your Branch was reduced by ____/____ people what would your recommendations be as to the task, functions or services which should be reduced to absorb such reduction?
3. What suggestion or recommendation do you have for implementation over the next two years which you think would serve to reduce the manpower requirements necessary to perform the work of your Branch?
4. Please list briefly functions that have been eliminated or revised or other efficiencies affected during the past year which have enabled you to better utilize manpower and increase performance.

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NOTE: Above to be put in narrative form and addressed to Chief,
Confidential Funds Division

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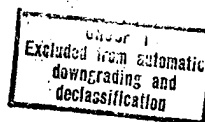


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MAJOR FUNCTIONS OF CONFIDENTIAL FUNDS DIVISION

1. Provide Technical Financial Support in Connection with the Agency's Covert Operations: This is necessary in order to establish proper financial reporting on the status of Agency resources and assets.
2. Audit and Certify Accountings of Agents, Projects, Class B Stations, and Travel Vouchers: Necessary in order to insure the proper use and protection of government funds.
3. Conduct Financial Briefings for Clandestine Services Officer, Agents, and Other Personnel as Needed: It is important that all personnel having responsibility for the expenditure of Agency Funds be thoroughly briefed as to the responsibilities, authority, and safe keeping of such funds.
4. Review, analyze, and reconcile Financial Statements of Proprietary Projects for Compliance with Administrative Plans: Necessary for the Agency to have up-to-date records of our financial interests in all proprietary entities established by the Agency.
5. Reconcile and record Financial Reports of Stations following Class A Accounting Procedures and Type I Property Procedures: The records and reports of our larger stations must be recorded currently in order for the Agency to have an up-to-date record of its financial position.
6. Reconcile Reports and Prepare Vouchers to Record both Headquarters and Type II Property Transactions: Necessary in order to keep current records on financial property accountability.

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7. Audit, Certify, and Record the Special Procurement Accountings-GSA Revolving Funds, invoices from Commercial Suppliers and Billings from the Armed Forces: To insure receipt of property and services and timely payment thereof.

8. Analyze and Police General Ledger Control for our Subsidiary Accounts and prepare and distribute Financial Reports extracted therefrom:

9. Review, Analyze and Distribute Financial Reports: Periodic reports of the status of the Agency accounts are necessary management tools for use by the officials of the Agency.

10. Payroll of Agency Personnel paid from Confidential Funds: Such payments must be made in conformance with individual or cover company requirements. Records of leave, retirement, social security and related activities must be maintained in conformance with law and financially acceptable accounting standards.

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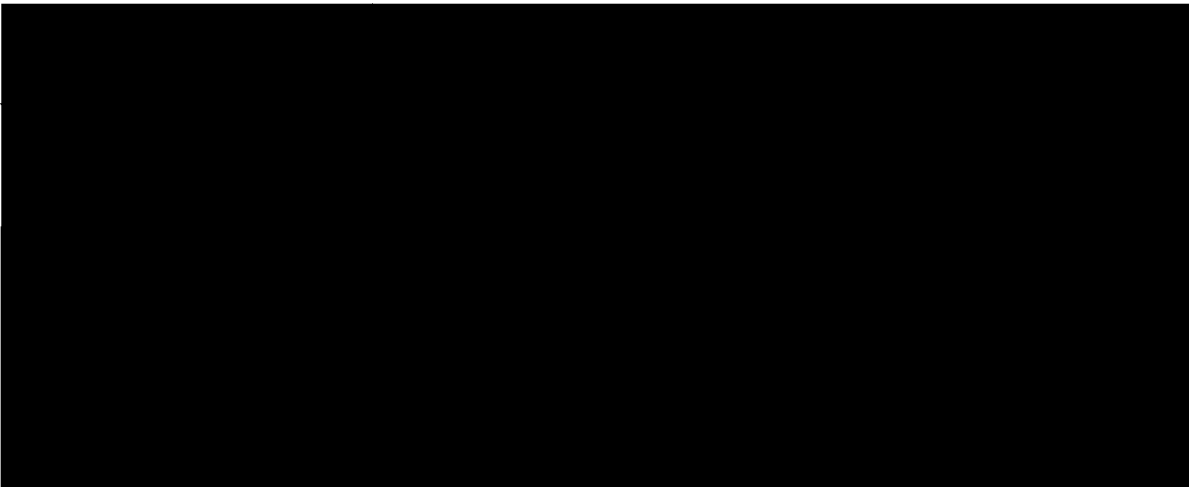
12. Funding Field Stations: Develop and maintain Station funding plans for funding all Field Stations to assure that an adequate supply of Funds is available at each installation.

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14. Cash and Check Disbursing: This function is to provide at Headquarters a counter cash and check service.

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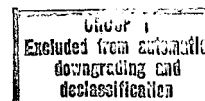


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17. Assist Clandestine Services in Developing 
Funding Arrangements for Projects, Agents, and Special Activities: This function enables the Director of Finance to provide the clandestine services with various funding arrangements through the many assets available to the Branch both in the United States and abroad.

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18. Funds Custodian: This function encompasses the maintenance of records to account for all funds drawn from the United States Treasury and disbursed by the Office of Finance and the safe keeping of Agency assets.

19. Operate and maintain Registry Function: Responsible for receiving, recording and distributing all incoming and outgoing documents dealing with the confidential funds activity of the Agency and for retiring documents and records in compliance with Agency regulations.

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CONFIDENTIAL FUNDS DIVISION

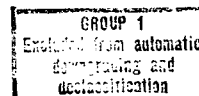
ACTION TAKEN DURING PAST YEAR TO IMPROVE EFFICIENCY AND CONSERVE MANPOWER

1. Developed fixed time schedules for the more timely production of machine listings and reports in order to provide for the maximum utilization thereof.
- 25X1C 2. Further extended [REDACTED] facilities to additional stations and bases in order to provide better financial support to field operations.
3. Revised procedures covering the processing of Bureau Schedules to expedite their recording and return to the Fiscal Division.
4. Developed, in collaboration with the Policy and Systems Staff, revised procedures, to become effective in FY 1964, covering the establishment and maintenance of new accounts pertaining to accounts payable for property acquisitions, which will permit the maximum use of machine methods in the administration of such accounts and provide for a current review and determination of the propriety of the payables.
- 25X1C 5. Developed and issued an amendment to the "Financial Coding Guide" covering changes in the coding requirements of numerous accounts and a directory of all [REDACTED] installations identifying by type, financial and property accounts maintained and to whom accountable.

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9. A contract with Brinks, Inc., which provided for Brinks to deliver cash weekly from the U. S. Treasury to Headquarters, and installed a money counting machine to reduce manpower required in verifying counts.
10. Implemented procedure whereby Headquarters personnel requiring vouchered funds advances are now able to secure their advances at the Confidential Funds disbursing counter.
11. Number of vouchers submitted to the Director for his certification was reduced to one per month covering all confidential disbursements effected by the Monetary Branch.
12. Plans have been completed and coordinated with all Foreign Stations and Operating Divisions concerned for the reduction of the Field

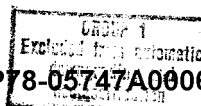
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16. Established G.L. account 102.0 and a procedure for funding Field Stations with U. S. Treasury checks drawn directly from the Treasury Disbursing Officer upon presentation of Schedule 1166. This procedure was established to expedite receipt of Treasury Checks for Field funding and free the Agent Cashier accounts to meet increasing banking requirements.
17. Implemented a procedure for forwarding of personal checks from field stations to Headquarters which enables the Monetary Branch to process the checks upon receipt at Headquarters without undue delay.
18. Conducted an analysis of the funding and accounting patterns of CA Subsidy projects and presented the findings in chart form to the CA Staff resulting in positive improvement in funding and accounting techniques.


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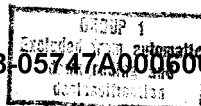
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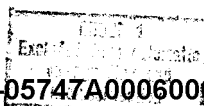
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20. Developed a procedure to eliminate the use of Transmittal Manifests to transmit TA's to field stations by control through the TA number.
 21. Strengthened our requirements that cash refunds be made at the time travel vouchers are prepared thereby eliminating considerable follow ups on advances.
 22. Developed and implemented a procedure to transfer to stations items disallowed or suspended in their accountings, thus strengthening the accounting control in the stations over such items.
 23. Developed and implemented a procedure to obtain refund of unused balances of advances.
 24. Eliminated the use of "logs" for the receipt and control of accounting documents by instituting use of a Routing Slip prepared at the origin of the accounting document.
 25. Revised the coding of vouchers and the machine program to provide for machine listings to reflect a meaningful due date for advances recorded in general ledger accounts 142.1, 142.2, and 750.
 26. Developed time-standards for audit and recording of accounts submitted to the Finance Division.
 27. Centralized the preparation and release of TA's to field stations resulting in more uniform preparation and more prompt releasing.
 28. Completed the study and adopted for use a new form, Overseas Transfer Financial Record, Form No. 2030, combining the basic data previously shown on three forms, Request for Advance (Form No. 281), Transfer of Account (Form No. 494), and Foreign Duty Data Sheet (Form No. 475).
 29. Brought up to date and re-issued as "Certifying Officer's Guide to Authorities" the former unnamed index to authorities. The new issuance's changed format will make easier both finding the material or reference desired and amending the issuance as the need arises.
 30. Reduced the number of contact points for and processing of advances for PCS moves by appointing the senior finance officer in the Central Processing Branch a Certifying Officer.

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31. Devised procedure and follow-up system to speed up processing of retirement cases.
32. Accounts Payable for property procurement procedures have been revised to provide separate accounts for the establishment of liabilities and the expenditures, with the Fiscal Division maintaining an expenditure account. This change eliminates the recording of voucher fund expenditures for property in the confidential funds account.
33. Reporting of accommodation procurement transactions to the Fiscal Division was changed from a transaction basis to a monthly summary report.
34. A revised advance account statement was developed, for use in connection with employee and agent advances, which should provide uniform procedures for the maintenance and administration of advance accounts.
35. Issued a Confidential Funds Division Operating Procedure assigning maintenance responsibilities for all general ledger accounts.
36. Installed new operating procedures pertaining to accounts payable for property acquisitions and developed the machine tabulations to be provided to the Office of Logistics, Fiscal Division, and Confidential Funds Division for administration of the accounts.
- X1A 37. Converted the [REDACTED] to Type I FPA installations and installed financial and property accounting procedures compatible thereto.
38. Dispatched two finance officers on a three-month TDY trip to Africa to consult with and advise Station personnel on financial problems and records.
39. Initiated energetic campaign to clear delinquent accounts thus reducing the amount of time required to follow up on these accounts.

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CONFIDENTIAL FUNDS DIVISION

ACTION WHICH MIGHT BE INITIATED DURING THE NEXT YEAR
WITH A VIEW TO IMPROVE EFFICIENCY AND CONSERVING MANPOWER

1. Establish the Confidential Funds Payroll on the RCA 501 computer during the next year.
2. Work out with the Office of Computer Services and the Office of Budget, Program Analysis and Manpower a coding system which will integrate accounting and budget information and at the same time reduce much of the precoding which is presently necessary.
3. Develop criteria for establishment of Type II FPA installations and review present Type II installations and take action to convert the procedures at the installations to which the criteria do not apply.
4. If authorizing legislation is passed by the Congress, establish a procedure for administrative examination of vouchers on the basis of statistical sampling.
5. Dependant on the availability of space, establish a Central Travel Unit for the pre-audit of travel vouchers and to assist travelers in the preparation of their accountings.
6. Improve the accounting and reporting system of Proprietary projects including the greater use of mechanization in recording expenses and Agency equity.
7. Eliminate the processing [REDACTED] as rapidly as the establishment of appropriate cover facilities can be accomplished.
8. Review with other Agency components concerned, current funding capabilities with view to reducing non-essential funding devices, bank accounts, and facilities.
9. Establish procedure for more timely reporting to Headquarters of outstanding delinquent advances at overseas installations.
10. Work with Central Cover Staff and Office of Personnel with view to writing more definitive contracts and cover company agreements thus eliminating time consuming research and correspondence.

TAB-C

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